January 15, 2009

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News You Can Use

Writer's Needed

One of the purposes of the SGS is to "enjoy each member's knowledge." This newsletter is one of the ways this numismatic knowledge is dispersed. *The frequency of the newsletter is driven by the number of submissions for publication*. The editor of the SGS eNewsletter needs new material and welcomes the opportunity to review your original article for publication. Articles should be relevant to the study of the gold coins and related history of the Dahlonega, Charlotte, and New Orleans branch mints and private minters Templeton Reid and the Bechtlers. If you do a presentation at a gathering or other venue, consider compiling your notes into an article. Do not worry about the grammar. The editor will do the rest. Electronic manuscripts should be submitted by email to dcnumisma@charter.net.

Feature

Antebellum Gold Deposits at the New Orleans Mint

By David Ginsburg

Gold was first discovered in North Carolina in 1799, but it was five years before anyone made the arduous journey to deposit some at the Philadelphia Mint so that it could be turned into coins.

A total of about $11,000 was deposited in 1804, but thereafter, deposits averaged only $2,500 annually until 1824, which marked the real beginning of America's first gold rush. From about $5,000 that year, deposits increased rapidly to $128, 000 in 1829 and peaked at $475, 000 in 1833, as the southern gold rush widened from North Carolina to include Georgia, Virginia, South Carolina, Tennessee and Alabama. Between 1824 and 1837, $5.1 million of southern gold was deposited at the Philadelphia Mint.

However, not all of the southern gold was ta ken to the Philadelphia Mint. While Templeton Reid only briefly operated a private mint in North Carolina in 1830, the Bechtler family ran its mint very successfully from 1831 until about 1850, minting about $2.2 million of gold coins between 1831 and 1840.[1]

With more than a half million dollars of gold being transported to Philadelphia annually, the region was ripe for its own official mints. Authorized in 1835, the branch mints at Charlotte and Dahlonega were established to coin gold, while the New Orleans Mint was established to coin both silver and gold.

The New Orleans Mint commenced operations in March 1838, and in that year it received bullion deposits of $277,600, of which $237,000 was silver and $40,600 was gold.

Gold Coins of the Charlotte Mint
By Douglas Winter

New in this expanded 3rd edition of *Gold Coins of the Charlotte Mint* is up-to-date information on rarity estimates, surviving specimens, and condition census. >> read more

Interestingly, the New Orleans Mint received far more silver than gold in the antebellum period. Total silver deposits from 1838 to 1861 were $34.6 million, which means that the New Orleans Mint received some 13 times to14 times as much silver as gold during the period. “Mexican dollars constitute[d] the greatest bulk of the material for silver coinage” in the mid-1840’s, reported John L. Riddell, who served as Melter and Refiner at the New Orleans Mint from 1839 to 1848.[2]

Total deposits of gold from the New Orleans Mint’s opening until it ceased reporting to the US government in January 1861 were $40.4 million, of which about $40,000 consisted of pre-1834 US gold coins, about $432,000 consisted of foreign bullion, $17.5 million consisted of foreign coins and $22.4 million consisted of domestic bullion.

After the Act of June 28, 1834 reduced the size of US gold coins, the coins minted under the “old standard” could be deposited at the Mints and recoined.[3] While most of these coins apparently had been exported and melted shortly after they were minted, $37,767 worth were deposited at the New Orleans Mint for recoinage between 1840 and 1851 and a further $1,822 was deposited between July 1857 and June 1858.

Foreign bullion was deposited at the New Orleans Mint throughout the antebellum period. Unfortunately, the Mint Annual Reports only occasionally mention its origins.

Foreign coins were a significant source of deposits at the New Orleans Mint, especially prior to 1848. Deposits peaked at $6.2 million in 1847, due to transfers from the New Orleans Custom House as a result of the Independent Treasury Act.[4]As Mr. Riddell reported, in the mid-1840’s, “…the most abundant foreign gold coins being English sovereigns, French Napoleons [20-Franc pieces], patriot doubloons [presumably from the former Spanish colonies in South America], and the coinage of different German States…”[5] Deposits of foreign gold coins declined considerably after 1847; most subsequent annual deposits were less than $150,000 while the peak annual deposit between 1848 and January 1861was $679,772, in the fiscal year ending June 1858.

Prior to the arrival of the great flood of California gold, domestic bullion was a relatively modest source of deposits. From 1838 to 1847, just under $120,000 of domestic gold was deposited at the New Orleans Mint. While the Mint Annual Reports don’t provide annual details of the sources of domestic bullion prior to 1848, they do show that, for the overall period, 52% of the domestic gold was from Alabama, 31% was from Georgia, 12% was from South Carolina, almost 2% was from Tennessee, just over one-half of one percent was from North Carolina and 3% was from “other sources”.

After 1847, the modest stream of gold from states other than California diminished to a mere trickle, totaling $30,054 from 1848 through January 1861. Of this amount, 53% was from Alabama, 13% was from Georgia, 11% was from Pike’s Peak, Colorado, 6% was from South Carolina, 4% was from Tennessee and 12% was from “other sources”. Interestingly, no non-California domestic bullion was deposited at the New Orleans Mint from 1852 through June 1857.

For the antebellum period, 99.3% of the New Orleans Mint’s total domestic gold deposits was from California. This gold began arriving at the New Orleans Mint in 1848, when a total of $1,124 was deposited. The largest amount of California gold was received in 1851, when $8.8 million was deposited. While deposits continued to arrive throughout the period, the San Francisco Mint and New York Assay Office began taking the lion’s share of California gold deposits after they opened in April and October, respectively, of 1854.[6] Deposits at the New Orleans Mint dropped to just under $1 million in 1854, just over $400, 000 in 1855 and generally declined thereafter.

The tables below show the total amount of gold and the amount of domestic bullion (by state of origin) that was deposited at the New Orleans Mint from 1838 to 1861.

Gold Deposited at the New Orleans Mint: 1838-1861

	US Coins (Old Standard)	% of Total Deposits	Foreign Coins	% of Total Deposits	Foreign Bullion	% of Total Deposits	Domestic Bullion	% of Total Deposits	Total Deposits
1838	$0		$39,900	98.3	$0		$700	1.7	$40,600
1839*	0		20,132	22.6	61,906	69.6%	6,869	7.7	88,907
1840	348	0.2	143,297	86.9	18,449	11.2	2,835	1.7	164,929
1841	716	1.2	55,740	94.8	493	0.8	1,818	3.1	58,767
1842	2,246	0.4	572,811	97.0	9,833	1.7	5,630	1.0	590,520
1843	1,257	0.0	3,081,962	98.2	33,198	1.1	22,573	0.7	3,138,990
1844	7,042	0.2	2,956,874	98.5	14,224	0.5	25,036	0.8	3,003,176
1845	1,980	0.3	618,315	95.6	6,372	1.0	20,313	3.1	646,980
1846	7,735	0.6	1,165,033	96.5	13,012	1.1	21,758	1.8	1,207,538
1847	9,901	0.2	6,220,700	99.5	12,371	0.2	9,256	0.1	6,252,228
1838 - 1847**	31,225	0.2	14,874,764	97.9	169,858	1.1	119,699	0.8	15,195,546
1848	1,843	1.0	151,444	82.6	17,484	9.5	12,593	6.9	183,364
1849	3,902	0.3	437,130	38.9	6,728	0.6	677,189	60.2	1,124,949
1850	622	0.0	62,010	1.3	4,653	0.1	4,580,030	98.6	4,647,315
1851	175	0.0	148,526	1.7	8,638	0.1	8,770,722	98.2	8,928,061
1852	0		136,211	3.5	21,673	0.6	3,777,784	96.0	3,935,668
1853	0		121,894	5.7	23,687	1.1	2,006,673	93.2	2,152,254
1854	0		114,137	10.0	43,487	3.8	981,511	86.2	1,139,135
1855	0		9,672	2.2	9,968	2.3	411,517	95.4	431,157
1856	0		15,946	5.1	11,635	3.7	283,345	91.1	310,926
1/57-6/57	0		15,062	10.0	6,787	4.5	129,328	85.5	151,177
7/57-6/58	1,822	0.2	679,772	59.2	17,035	1.5	450,164	39.2	1,148,793
7/58-6/59	0		394,928	76.3	29,622	5.7	93,272	18.0	517,822
7/59-6/60	0		24,856	16.2	39,309	25.6	89,567	58.3	153,732
7/60-3/61	0		291,011	87.0	21,801	6.5	21,599	6.5	334,411
Total	$39,589	0.1%	$17,477,363	43.3%	$432,365	1.1%	$22,404,993	55.5%	$40,354,310

Note: The Annual Mint Reports occasionally contain small discrepancies in deposit amounts. These discrepancies are usually corrected in subsequent Annual Reports, but are never explained. I have reconciled these discrepancies to the best of my ability and noted some of the more significant ones below.

*Includes $3,748 in deposits not categorized by the Mint, which I've added to Foreign Bullion

**The individual amounts for Domestic Bullion deposits for 1838-1847 are shown in every report from 1838 to 1849 and add up to $116,788. The summary amount of $119,699 is shown in each of the reports from 1850 to 1861; the difference is $2,911. I have used the larger number in my calculations.

Domestic Bullion Deposited at the New Orleans Mint: 1838-1861

	California	% of Domestic Bullion	Other States	% of Domestic Bullion	Total Domestic Bullion
1838	--		$700	100.0	$700
1839	--		6,869	100.0	6,869
1840	--		2,835	100.0	2,835
1841	--		1,818	100.0	1,818

1842	--		5,630	100.0	5,630
1843	--		22,573	100.0	22,573
1844	--		25,036	100.0	25,036
1845	--		20,313	100.0	20,313
1846	--		21,758	100.0	21,758
1847	--		9,256	100.0	9,256
1838 - 1847*			119,699		119,699
1848	$1,124	8.9%	11,469	91.1	12,593
1849	669,921	98.9	7,268	1.1	677,189
1850	4,575,576	99.9	4,454	0.1	4,580,030
1851	8,769,682	100.0	1,040		8,770,722
1852	3,777,784	100.0	0		3,777,784
1853	2,006,673	100.0	0		2,006,673
1854	981,511	100.0	0		981,511
1855	411,517	100.0	0		411,517
1856	283,345	100.0	0		283,345
1/57-6/57	129,328	100.0	0		129,328
7/57-6/58	448,440	99.6	1,724	0.4	450,164
7/58-6/59	93,272	100.0	0		93,272
7/59-6/60	87,135	97.3	2,432	2.7	89,567
7/60-3/61	19,932	92.3	1,667	7.7	21,599
Total	$22,255,240	99.3%	$149,753	0.7%	$22,404,993

*The annual amounts for Domestic Bullion deposits for 1838-1847 are shown in every report from 1838 to 1849 and add up to $116,788. The summary amount of $119,699 is shown in each of the reports from 1850 to 1861; the difference is $2,911. I have used the larger number in my calculations.

Non-California Domestic Bullion Deposited at the New Orleans Mint: 1838-1861

	Bullion Deposits
1838 - 1847	Alabama: $61,903; Georgia: $37,364; South Carolina: $14,306; Tennessee: $1,772; North Carolina: $741; Other Sources: $3,613.
1848	Alabama: $6,717; Georgia: $2,317; South Carolina: $1,488; Tennessee: $947.
1849	Alabama: $4,062; South Carolina: $423; Other Sources: $2,783.
1850	Alabama: $3,560; Other Sources: $894.
1851	Alabama: $1,040
1852	None
1853	None
1854	None
1855	None
1856	None
1/57-6/57	None
7/57-6/58	Georgia: $1,560; Tennessee: $164
7/58-6/59	None
7/59-6/60	Pike's Peak: $1,770; Alabama: $662
7/60-3/61	Pike's Peak: $1,667
Total	$149,753

Source: *The Annual Reports of the Director of the Mint, 1838-1861.*

Notes:

[1]Donald H. Kagin, Ph.D., *Private Gold Coins and Patterns of the United States* (New York: Arco Publishing, Inc., 1981), p. 34.

[2]"The Mint at New Orleans with an Account of the Process of Coinage", 1845; reprinted in the April 1968 issue of *The Numismatist*. The information contained in this monograph was reprinted in several forms throughout the 1840's. In addition to updated editions of the monograph, versions of its contents were published in the January 1846 issue of *Hunt's Merchant Magazine*.

[3]The Act of June 28, 1834 reduced the gold content of the US dollar to 23.2 grains of pure gold from 24.75 grains established by the Act of April 2, 1792 . This 6.3% reduction allowed US gold coins to circulate widely, in contrast to the "old standard" coins, which were overvalued in terms of silver and rarely seen in commerce.

[4]The Act of August 6, 1846 ended the practice of depositing US Government receipts in local banks and created sub-treasuries to hold them instead. Since most of the Government receipts at that time were in foreign coin, it had been common practice for the banks to keep them in that form, which made it easier to profit from fluctuations in exchange rates by exporting the coins. Also, since recoinage took up to several weeks (including travel time), it was expensive for private banks to lose the use of their money for what was, to them, an unnecessary reason. In contrast, some of the sub-treasuries were required to deposit their receipts at the Philadelphia and New Orleans mints, where the foreign gold was recoined.

[5]"The Mint at New Orleans with an Account of the Process of Coinage"

[6]The New York Assay Office, which operated from 1854 to 1982, was established primarily to refine California gold into ingots. While most of the ingots were exported to Europe, some of them were redeposited at the Philadelphia Mint and turned into coins. The operation of the New York Assay Office is described in detail in an article in the November 1861 issue of *Harper's New Monthly Magazine*.

Mission Statement

The Southern Gold Society was formed to increase the enjoyment and study of Southern gold coins and related history, through an informal, relaxed mix of education and fellowship. The society is reminiscent of those of a bygone era, in which connoisseurship and a gentlemanly appreciation of Southern gold coins is the order of the day.

Purpose

- To facilitate the enjoyment and study of the gold coins and related history of the Southern branch mints (Dahlonega, Charlotte, and New Orleans) and private Southern minters (Templeton Reid and the Bechtlers).
- To enjoy each member's knowledge and friendship in an informal manner.
- To provide a relaxed, pleasant environment in which to meet during selected coin shows and other convenient events.
- To encourage the appreciation and preservation of a Southern gold coin's original surfaces.
- To consolidate the information, resources, and talent available to enthusiasts of these historic Southern gold coins.

Annual Membership Fees

Regular $25 (January-December).

Membership for new members joining in October, November, or December extends through the next year. Checks for membership fees should be made payable to the Southern Gold Society and mailed to **David Crenshaw, P.O. Box 237, Dacula, GA 30019-0004**.

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